Executive Board of the United Nations Development Programme, the United Nations Population Fund, and the United Nations Office for Project Services

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Structured funding dialogue

Status of regular resources funding commitments to the United Nations Development Programme and its associated funds and programmes for 2017 and onward

Summary

This report presents the status of regular and other resources funding commitments for 2017 and onward, as well as a summary of the contributions to regular and other resources received in 2016 for UNDP, the United Nations Capital Development Fund and the United Nations Volunteers programme. In response to Executive Board decisions 2015/16 and 2016/16, the report presents UNDP's efforts to broaden its donor base and attract new sources of funding, including through new approaches to resource mobilization.

In 2016, total contributions to UNDP increased by 8 per cent, to $4.866 billion, from $4.486 billion in 2015. Contributions to regular resources, however, decreased by 12 per cent, to $618 million, from $704 million in 2015. Fifty-three partners contributed to regular resources in 2016, two more than the 51 in 2015, including first-time contributor Japan Innovation Network, a non-governmental partner. Other resources contributions increased by 12 per cent, to $4.248 billion, from $3.782 billion in 2015. The ratio of regular to other resources was 13:87 in 2016, compared to 16:84 in 2015.

As of June 2017, UNDP has received $209 million, or 48 per cent of the regular resources projected for 2017. Subject to confirmation by some Member States and exchange rate fluctuations, 2017 regular resources are projected at approximately $600 million, a decrease of $18 million from the 2016 level, and the fourth consecutive year of declining regular resources. A continued downward trend in regular resources will further constrain the ability of UNDP to ensure global development effectiveness and make forward-looking, strategic choices and investments.

Elements of a decision

The Executive Board may wish to:

(a) take note of documents DP/2017/30 and Add.1 and DP/2017/31;

(b) note the importance of regular resources, which remain the bedrock of UNDP support to programme countries, particularly the poorest and most vulnerable, and to the coherence and effectiveness of the United Nations development system;

(c) urge Member States to prioritize regular and flexible other resources such as the new funding windows, given that further reductions in regular resources risk jeopardizing UNDP's ability to achieve planned strategic results.

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(d) recall the importance of funding predictability, timeliness of payments and adherence to multi-year pledges to avoid liquidity constraints in regular resources;

(e) urge Member States that have not yet done so to contribute to regular resources for 2017, and encourage those that have not contributed to regular resources in the past to consider doing so;

(f) recall decision 2013/30 and urge all programme countries to meet their obligations with respect to government local office costs;

(g) urge Member States to adhere to multi-year pledges and payment schedules; and

(h) urge Member States to continue their dialogue with UNDP on shifting from highly earmarked to regular resources or less restricted earmarked other resources.

Contents

Chapter		*Page*
I.	Introduction	3
II.	Overall resource trends and update on 2016 performance	3
	A. Total contributions to UNDP	3
	B. Contributions to UNDP regular resources	4
	C. Contributions to UNDP other resources	5
III.	The 2017 outlook and predictability	8
IV.	Shifting from highly earmarked to less earmarked other resources	9
V.	Diversifying partnerships	9
VI.	The United Nations Capital Development Fund and the United Nations Volunteers programme	11
VII.	Conclusion	13

I. Introduction

1. As prescribed by Executive Board decision 98/23, this report presents the status of regular resources funding commitments for 2017, as well as a summary of contributions to regular and other resources received in 2016.

2. In its decisions 2015/16 and 2016/16, the Executive Board noted with serious concern the continuing decline in contributions to regular resources and the increasing imbalance between regular and other resources, emphasizing that regular resources are essential for maintaining the multilateral, neutral and universal nature of the UNDP mandate. The Board encouraged UNDP to further mobilize regular and other resources to respond to the needs of all programme countries, particularly the poorest and most vulnerable. The Board requested UNDP to explore incentives and mechanisms to broaden the donor base and encourage donors to prioritize regular resources contributions and shift to less restricted other resources aligned to the Strategic Plan.

3. This report provides an overview of funding trends from 2012 to 2016, the status of contributions received in 2016 and the status of regular resources funding commitments for 2017 and onward. It also covers actions taken by UNDP to maintain the level of regular resources and reverse their downward trend; shift from highly earmarked to less earmarked other resources; and broaden the donor base.

4. Finally, the report provides information on the status of funding for the United Nations Capital Development Programme (UNCDF) and United Nations Volunteers programme (UNV).

II. Overall resource trends and update on 2016 performance

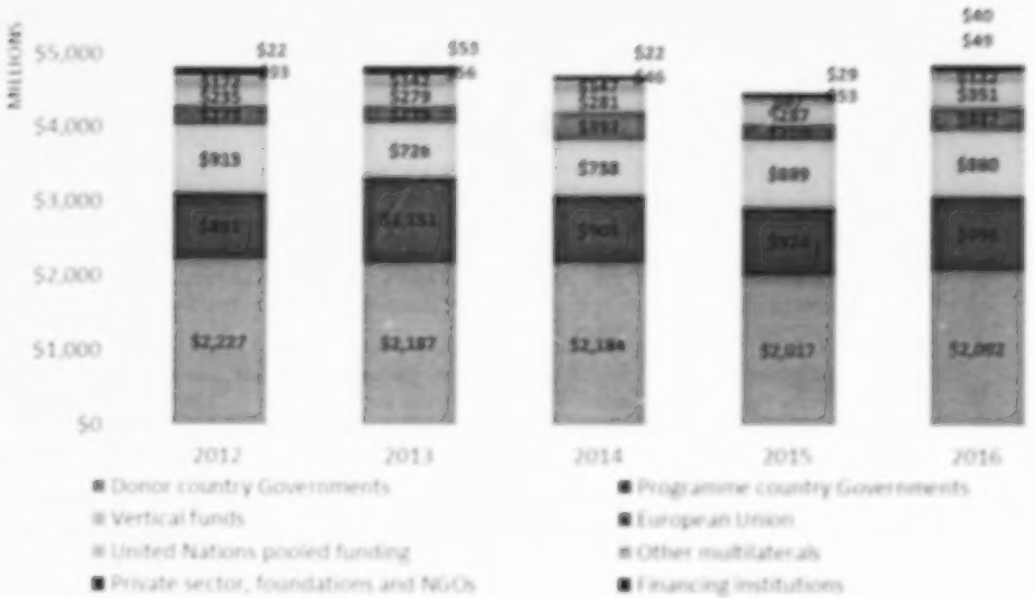
A. Total contributions to UNDP

5. Total contributions amounted to $4.866 billion in 2016, compared to $4.486 billion in 2015, representing an increase of 8 per cent. In 2016, the ratio of regular to other resources moved to 13:87 from 16:84 in 2015.

6. UNDP remains a multi-funded organization, with resources mobilized from a broad range of partners. From 2012 to 2015, total contributions declined from $4.82 billion to $4.48 billion, but rebounded to $4.87 billion in 2016. Over the same period, the sources of funding as a share of total funding have been shifting.

7. Of total contributions received in 2016, 43 per cent were funded by donor country Governments (down from 46 per cent in 2012); 20 per cent by programme country Governments (up from 18 per cent in 2012); 18 per cent by vertical funds (down from 19 per cent in 2012); 7 per cent by United Nations pooled funding (up from 5 per cent in 2012); 7 per cent by the European Union (up from 6 per cent in 2012); and 5 per cent by the private sector, foundations, financial institutions, non-governmental organizations (NGOs) and other multilateral organizations combined (down from 6 per cent in 2012). Figure 1 below shows the overall resource trend by funding sources.

Figure 1. Overall resource trend by funding sources, 2012-2016
(In millions of United States dollars)



B. Contributions to UNDP regular resources

8. Numerous decisions of the Executive Board[1] stress the importance of regular resources to UNDP, as they remain the bedrock of the organization and constitute a pillar of support to the poorest countries. The ability of UNDP to support countries' implementation of the 2030 Agenda for Sustainable Development and the Strategic Plan depends on a sustainable funding base.

9. Regular resources allow UNDP to invest in systems of accountability, transparency and quality assurance – including oversight functions such as audit, investigation and evaluation – and coordination of the United Nations development system. Declining regular resources constrain the ability of UNDP to ensure global development effectiveness and make forward-looking, strategic choices and investments. The Executive Board has expressed concern about the negative effects of decreased funding, particularly on the capacity of UNDP for programmatic activities, development effectiveness and provision of technical advisory services to country offices.

10. Since 2013, contributions to regular resources have been declining, on average, by 11 per cent or $92 million annually. In 2016, contributions decreased by 12 per cent, to $618 million – from $704 million in 2015 – due to reduced contributions and foreign exchange effects (net reduction of $23 million, compensated by a $7 million benefit from the hedging programme). Government cash contributions to local office costs decreased by 10 per cent to $28 million (2015: $31 million). Total in-kind contributions from donors reached $19 million (2015: $17 million).

11. In 2016, UNDP received regular resources contributions from 52 Member States, and the Japan Innovation Network, a first-time non-governmental contributor. UNDP

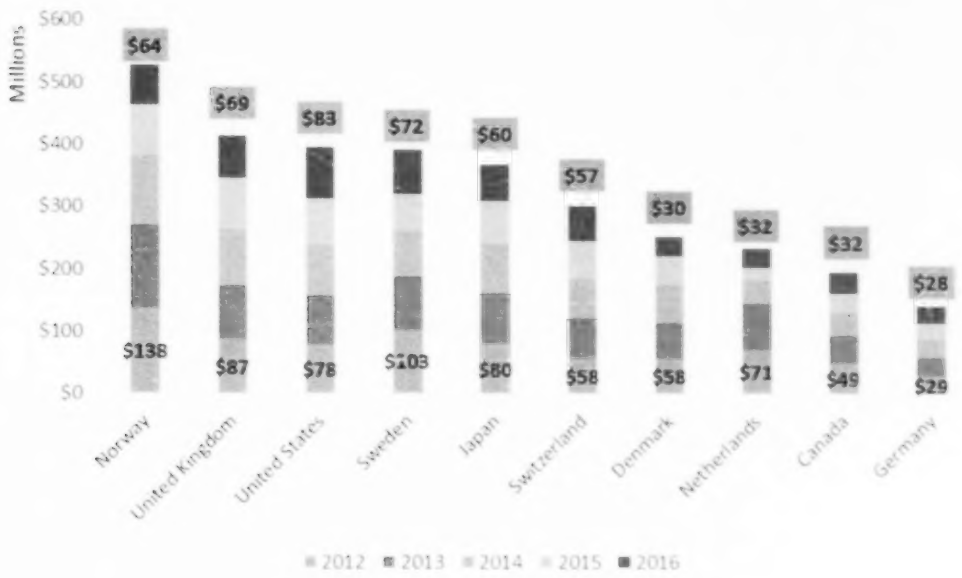
[1] Decisions 98/23 and 99/1 and 23, reaffirmed in decisions 2002/9 and 2002/18, 2003/24, 2004/14, 2005/20, 2006/24, 2007/17, 2008/36, 2009/10, 2010/14, 2011/15, 2012/10, 2013/13, 2014/24, 2015/16 and 2016/16.

thanks the partners which increased their contributions to regular resources in 2016, including the Governments of Germany, Iceland, Italy, Netherlands, Republic of Korea, Saudi Arabia and Sweden.[2]

12. The largest contributors to regular resources in 2016 were, in order, the Governments of the United States, Sweden, United Kingdom, Norway, Japan, Switzerland, Canada, Netherlands, Denmark and Germany. The Governments of China, India, Russian Federation, Saudi Arabia and Turkey maintained their contributions of over $1 million to regular resources in 2016.

13. In multiple decisions, the Executive Board has recognized that a limited number of Member States contribute to UNDP regular resources and requested UNDP to continue exploring incentives and mechanisms to broaden the donor base, and to support donors in increasing their regular resources contributions. Figure 2 shows the top 10 contributors to regular resources from 2012 to 2016. In 2016, contributions from these top donors accounted for 85 per cent of total regular resources.

Figure 2. Top 10 contributors to regular resources, 2012-2016
(In millions of United States dollars)



C. Contributions to UNDP other resources

14. Other resources are earmarked to specific themes, programmes or projects and represent a critical complement to the regular resource base. Total other resources contributions from cost sharing, trust funds, reimbursable support services and miscellaneous activities amounted to $4.248 billion in 2016 (12 per cent greater than the $3.782 billion received in 2015). Of this, $1.489 billion was from donor country Governments (a 12 per cent increase from 2015), $981 million from programme country Governments (a 9 per cent increase from 2015) and $1.778 billion from multilateral partners (a 15 per cent increase from 2015). Table 1 below shows the figures in detail.

[2] Japan increased its 2016 contribution in local currency, although exchange rate fluctuations resulted in a decline in the amount in United States dollars. India's additional tranche intended for 2016 and received in March 2017 is recorded as a 2017 contribution.

Table 1. Other resources contributions by funding partners, 2015-2016
(In millions of United States dollars)

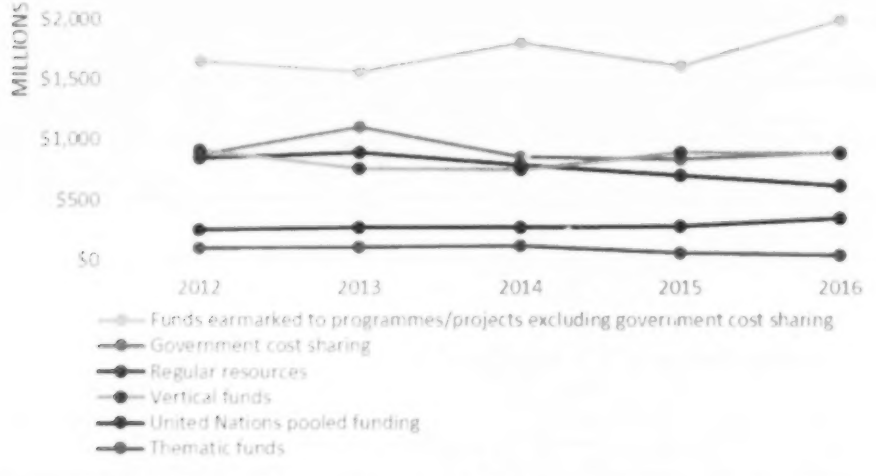
Year	Donor country Governments				Programme country Governments				Multilateral partners				Total
	Cost sharing	Trust funds	RSS	Subtotal	Cost sharing	Trust funds	RSS	Subtotal	Cost sharing	Trust funds	RSS	Subtotal	
2016	982	470	37	1,489	964	4	13	981	1,245	499	34	1,778	4,248
2015	773	522	40	1,344	887	8	6	893	974	527	45	1,545	3,782
$ change				145				88				233	466
% change				11%				10%				15%	12%

RSS – reimbursable support services and miscellaneous activities.

15. In its decision 2016/16, the Executive Board welcomed Member States' continued dialogue with UNDP on funding issues, including how to facilitate a shift from highly earmarked resources to regular resources or less restricted/earmarked resources, and urged Member States to prioritize the provision of regular and other resources that are flexible, predictable, less earmarked and aligned with the Strategic Plan.

16. After regular resources, contributions channelled through thematic funds or funding windows offer the most flexibility, followed by funds earmarked to programmes or projects (including government cost sharing). United Nations pooled funds and vertical funds. Comparing the levels of contributions of these funding channels between 2012 and 2016, regular resources and thematic funding are on a decline, vertical funds are stable and funds earmarked to programmes or projects, government cost sharing and United Nations pooled funds are increasing.

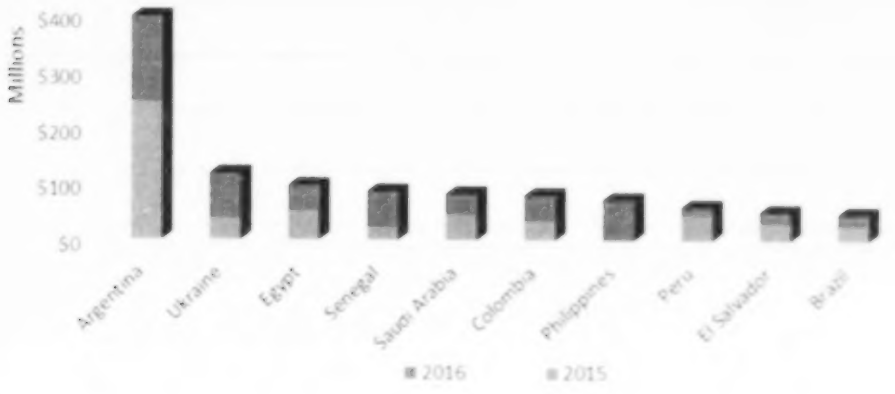
Figure 3. Contributions by funding channels, 2012-2016
(In millions of United States dollars)



17. In its decision 2016/16, the Executive Board recognized that government cost sharing constitutes a voluntary funding mechanism that strengthens national ownership as well as contributes to the achievement of country programmes. In the Addis Ababa Action Agenda, endorsed by the General Assembly in resolution 69/313 of 27 July 2015, Member States affirmed domestic resources as a legitimate source of financing for development. In 2016, of the $981 million total contributions to other resources from programme country Governments, $892 million was for programmes or projects in their own countries (a 6 per cent increase, from $840 million in 2015). Figure 4 below shows the top 10 contributors to government cost sharing in 2015-2016.

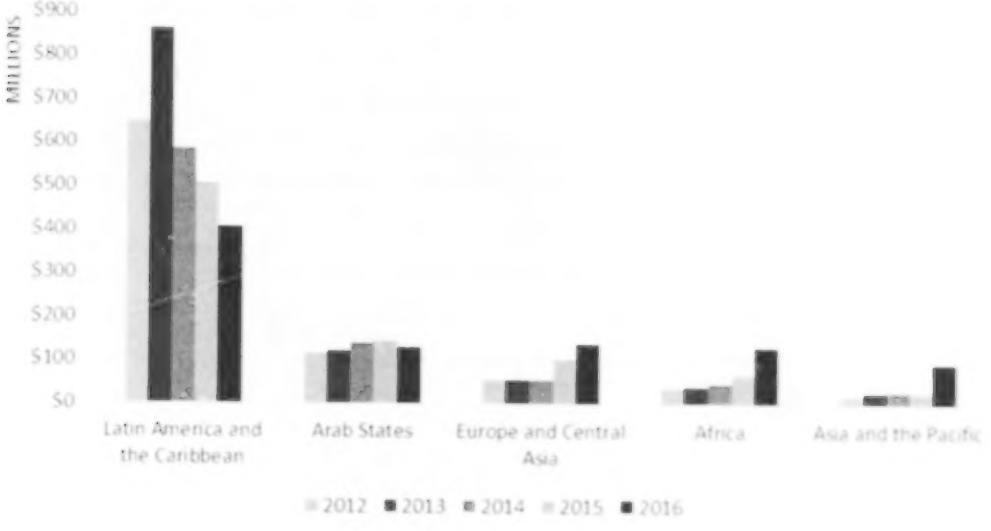
Although Member States from Latin America and the Caribbean contributed 53 per cent of total government cost sharing in 2015-2016, Member States from other regions (Philippines, Senegal, Saudi Arabia and Ukraine) have increased their contributions in recent years.

Figure 4. Top 10 contributors to government cost sharing, 2015-2016
(In millions of United States dollars)



18. Figure 5 below shows an increasing trend in government cost-sharing contributions from Europe, Africa and Asia and the Pacific and a decline for Latin America and the Caribbean and the Arab States. In 2016, government cost sharing from Latin America and the Caribbean decreased by 20 per cent, to $404 million (2015: $506 million); Europe and the Commonwealth of Independent States increased by 37 per cent to $138 million (2015: $101 million); Africa increased by 100 per cent, to $130 million (2015: $65 million); the Arab States decreased by 11 per cent, to $128 million (2015: $144 million); and the Asia and the Pacific region increased by 281 per cent, to $92 million (2015: $24 million).

Figure 5. Government cost sharing, by region, 2012-2016
(In millions of United States dollars)



III. The 2017 outlook and predictability

19. As reflected in General Assembly resolution 67/226 of 21 December 2012 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system and in several Executive Board decisions, Member States are encouraged to maintain and substantially increase their voluntary contributions to regular resources and to contribute, on a multi-year basis, in a sustained and predictable manner.

20. Current projections suggest that, subject to confirmation by some Member States and exchange rate fluctuations, contributions to regular resources in 2017 are expected to total around $600 million, 3 per cent lower than the $618 million received in 2016.

21. Global political and economic developments are expected to continue to impede the ability of some Member States to make or increase their contributions or make multi-year commitments. With continued steady support from current and new contributing Member States, however, UNDP is determined to reverse the downward trend in regular resources.

22. If regular resources continue to decline, it will not be possible for UNDP to maintain shielded/protected lines in the integrated budget that are now in place. Reduced support for development effectiveness and management could increase organizational risks for UNDP due to adverse effects on its institutional capacity for quality assurance, monitoring, accountability and oversight.

23. In decisions 2015/16 and 2016/16, the Executive Board urged Member States in a position to do so to provide their contributions to regular resources as early as possible, and encouraged Member States to consider making multi-year pledges for future years. As of June 2017, 38 Member States had indicated their pledges or had already paid their 2017 contributions, as shown in table 1 of the statistical addendum.

24. In decision 98/23, the Board determined that the predictability of regular resources would be strengthened if Member States announced their payment schedules, with early payment encouraged to ensure effective programming and to avoid liquidity constraints in regular resources. However, only a limited number of Member States share their payment schedules in advance and one third of contributions are received in the last quarter of the year.

25. UNDP notes with appreciation the efforts of Member States that have paid their contributions early and in full, communicated their payment schedules, made multi-year pledges and resumed their contributions or contributed to regular resources for the first time. Member States that have not already done so are encouraged to inform UNDP of their intended payment schedules and to adhere to them. Predictability is essential for the organization, and for programme countries, to plan strategically. As of June 2017, 25 Member States had paid their contributions in full or made partial payment towards their 2017 pledges, as shown in table 2 of the statistical addendum.

26. As of June 2017, UNDP had received $289 million, or 48 per cent of the projected regular resources contributions for 2017, from 27 of the 64 partners expected to contribute. UNDP values the increased contributions from Estonia; the new or existing multi-year commitments from the Governments of Antigua and Barbuda, Australia, Belgium, Canada, Denmark, the Netherlands, New Zealand, Switzerland and Turkey; and the resumption of contributions from Malta.

27. With respect to other resources, from January to June 2017, UNDP received $1.412 billion, including contributions from vertical funds and United Nations pooled funds. By the end of 2018, UNDP expects to receive close to $2 billion from the Global Environment Fund, the Green Climate Fund, the Global Fund to Fight AIDS,

Tuberculosis and Malaria and the Multilateral Fund for the Implementation of the Montreal Protocol.

IV. Shifting from highly earmarked to less earmarked other resources

28. In its decision 2015/16, the Executive Board noted the importance of enhancing the quality and predictability of contributions to other resources and their alignment to the Strategic Plan, 2014-2017, as an important complement to the regular resource base.

29. In response to Member States' requests made in the quadrennial comprehensive policy review and through the Executive Board for more predictable, flexible and adequate funding for development, UNDP established the funding windows, designed to encourage a shift to less earmarked, more integrated and flexible funding.

30. The funding windows were designed to promote an integrated approach and allocate resources to critical or emerging needs at national, regional and global levels, and to align development effectiveness principles of ownership, harmonization, results and mutual accountability.

31. In 2016, total contributions for the funding windows reached $37 million ($19 million for climate change and disaster risk reduction; $13 million for governance for peaceful and inclusive societies; $4 million for emergency development response to crisis and recovery; and $1 million for sustainable development and poverty eradication) from eight partners, in order: the Governments of Germany, the United Kingdom, Norway, the Republic of Korea, Luxembourg, Switzerland, Sweden and Slovakia.

32. For 2017 and 2018, six Member States have pledged $31 million. As of June 2017, UNDP had received a total of $5.7 million from Luxembourg and the Republic of Korea.

V. Diversifying partnerships

33. In its decision 2016/16 and other prior decisions, the Executive Board recognized that a limited number of Member States contribute to UNDP regular resources, and requested UNDP to continue to explore incentives and mechanisms to broaden the donor base and to support donors in increasing their regular resources contributions, as well as in shifting to less restricted other resources funding.

34. In response to those decisions, to ensure a stable, predictable and more diverse regular resources funding base, UNDP launched the '100 Partners for Development' campaign, to reach a target of 100 partners contributing to regular resources by the end of 2017.

35. Although the campaign has not yet gained the desired traction, through concerted engagement and support from partners, UNDP expects the number of contributors to regular resources to increase from 53 in 2016 to 64 in 2017, and is pleased that Member States such as Malta responded to the campaign by resuming its contribution to regular resources, and that private sector partners are making initial contributions to regular resources.

36. In its decision 2015/16, the Executive Board requested UNDP to respond to evolving development opportunities in a transparent and coordinated manner to widen its partnerships with the private sector, civil society organizations, philanthropic organizations, the broader public, multilateral organizations, international financial institutions (IFIs) and global public-private alliances.

37. Building on the ongoing efforts to diversify the donor base across and beyond government partners, UNDP is making inroads in establishing new partnerships with the private sector and IFIs. UNDP forged a number of transformational partnerships with the private sector, including through the co-creation of solutions for sustainable development and innovative collaborative arrangements.

38. In April 2017 UNDP signed a five-year partnership agreement with ofo, the world's largest bike-sharing platform, based in China, to raise public awareness about climate change and to support green entrepreneurship and research in China and around the world. The project is expected to reach 100 million people with campaign messages about the adverse effects of climate change and ways to reduce carbon dioxide emissions. UNDP and ofo will also establish a joint scholarship programme to support environmental research projects and will provide small grants to start-up companies offering green products and technologies. During the first year of the partnership, ofo will donate bicycles to young people in rural areas to reduce the distance between their homes and schools. For 2017, UNDP expects to receive a donation of $1 million to regular resources, as part of a larger contribution of $2.9 million, to support climate action and entrepreneurship.

39. UNDP is helping to leverage private finance for the Sustainable Development Goals. In partnerships with the Government of Malawi, UK Aid and KfW, the German Development Bank, UNDP helped to set up the Malawi Innovation Challenge Fund (MICF) with a $15 million competitive grant facility for innovative projects proposed by the private sector for Malawi's agricultural, manufacturing and logistics sectors. Since its first round of competition in 2014, MICF has helped to increase the incomes of 33,300 households and create 1,190 jobs through agriculture and manufacturing projects.

40. Impact investment is a new area that can help to unlock private capital to tackle development challenges. In 2016, UNDP established a Social Impact Fund to leverage private capital and facilitate social impact investments, aligned to the Sustainable Development Goals, for national priorities such as youth entrepreneurship and jobs creation, special economic zones, renewable energy and affordable housing. The fund provides policy advisory services to national Governments while building a strong academic network with leading universities globally to explore new analytical frameworks for social impact measurement.

41. In Serbia, UNDP is exploring impact investment through the social impact bond modality. The modality aims to tackle high youth unemployment in the country by producing jobs for youth, savings for the Government and social and financial returns for investors. The social impact bond brings private capital into development and shifts public sector expenditure from paying for activities to paying for results.

42. In 2017, UNDP together with other United Nations agencies partnered with Microsoft to create jobs for communities affected by the Syrian crisis. Similarly, UNDP is collaborating with IBM on 'IBM Digital - Nation Africa', which provides a cloud-based learning platform designed to provide free skills development programmes for up to 25 million African youths, over five years, enabling digital competence and nurturing innovation in Africa. UNDP has also partnered with the GSMA Mobile for Development Foundation to harness the power of mobile technology to accelerate implementation of the Sustainable Development Goals.

43. In 2016, UNDP launched an individual donation programme, which, through digital giving, has helped to mobilize over $4 million for earthquake relief in Ecuador.

44. UNDP is increasing its engagement with IFIs to revitalize cooperation and accelerate progress towards the Sustainable Development Goals. Following the launch of action plans with the Islamic Development Bank Group and the European

Investment Bank in 2016, new action plans were launched in 2017 with the Council for Europe Development Bank and the Development Bank of Latin America, and a joint statement of action was agreed with the China Development Bank. To facilitate operational collaboration at the country level, new financial agreements were developed with the African Development Bank, the Islamic Development Bank and the Caribbean Development Bank, and are under development with the European Investment Bank, the World Bank and KfW.

45. In 2016, total cost sharing contributions from IFIs increased by [illegible] per cent to $36 million (2015: $23 million), representing direct contributions to UNDP for programming by country offices. The World Bank and Islamic Development Bank were the top contributors, with contributions of $24 million and $12 million respectively. In 2017, as of early June, UNDP had received $162 million in cost-sharing contributions from IFIs.

46. The funding composition of UNDP has evolved over the years, and the current balance of funding, with other resources (87 per cent of total funding) mobilized from a smaller regular resource base (13 per cent) remains a concern. For the implementation of the new strategic plan, 2018-2021, UNDP will endeavour to increase the share of regular resources to leverage other resources for sustainable development, support the United Nations development system and help developing countries to access financing, expertise and technologies to make progress towards the Sustainable Development Goals, by working with Member States, IFIs and the private sector.

VI. The United Nations Capital Development Fund and the United Nations Volunteers programme

United Nations Capital Development Fund

47. In 2016, total contributions received by UNCDF reached $55.3 million (including $0.8 million received from UNDP for programme support), down from $58.9 million in 2015. The diversification of UNCDF donors remained high, however, with 35 development partners contributing in 2016 (compared to 29 in 2010).

48. Contributions in 2016 included $19.7 million from private sector foundations, corporations and NGOs, representing 36 per cent of total resources and 44 per cent of other resources. The top overall donors to UNCDF were, in order, the Bill & Melinda Gates Foundation, the United Nations Multi-Partner Trust Fund, The MasterCard Foundation, Sweden, Switzerland, United States, European Union, Belgium and Luxembourg.

49. Contributions to regular resources reached $10.2 million in 2016 (including $0.8 million received from UNDP for programme support), down from $12.5 million in 2015. In 2016, the top regular resources donors to UNCDF were the Governments of Sweden, Switzerland, Luxembourg, Australia, the United States, Norway, Austria, China, and Liechtenstein. The Governments of Myanmar and Thailand also supported UNCDF through regular resources contributions.

50. Regular resources remain the foundation for the UNCDF business model, providing the risk capital for innovation and leverage, the technical expertise to remain at the frontiers of last mile finance innovation, and the robust country presence needed to be a strategic partner to Governments and United Nations country teams and ensure a strategic, rather than fragmented, country-level engagement.

51. Despite increased donor diversification in recent years, UNCDF continues to be dependent on a limited number of donors for contributions to regular resources. Regular resources contributions remain short of the $25 million annual target required

to extend UNCDF operations to 40 of the 47 least developed countries (LDCs), as envisaged in the UNCDF Strategic Framework, 2014-2017. The consistent shortfall strains the Fund's ability to innovate. The UNCDF country presence has dropped to 30 LDCs in 2016 against the 40 projected in the Strategic Framework and this number is at risk of further reduction.

52. Other resources remained at $45.2 million in 2016, a decrease of 3 per cent from 2015. Other resources have increased steadily over the past 10 years, by 250 per cent (from $13 million in 2006), and are expected to continue to grow in 2017.

53. With its capital mandate and instruments, UNCDF offers 'last mile' finance models, through financial inclusion and localized investments that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. Using grants, soft loans, targeted credit increases, and innovative business and public-private partnerships, UNCDF tests financial models to show how strategically placed official development assistance can drive domestic resource mobilization for local economic development and financial inclusion. UNCDF innovations, blended finance approaches and 'last mile' finance models are relevant for the implementation of the 2030 Agenda, the Addis Ababa Action Agenda, and the Istanbul Programme of Action, as well as the Paris Agreement on climate change.

United Nations Volunteers programme

54. In 2016, the third year of the implementation of the UNV Strategic Framework, 2014-2017, programme resources amounted to $186 million, almost 2.8 per cent of which was financed from the Special Voluntary Fund.

55. Donor contributions continued to be critical to the development of volunteerism programming and mobilizing volunteers. In 2016, in line with its budget strategy, UNV continued its efforts to deepen, widen and diversify partnerships, with a particular focus on the Special Voluntary Fund, cost sharing, trust funds and fully funded volunteers.

56. Administratively speaking, the Special Voluntary Fund is not equivalent to regular resources. However, the Fund enables the UNV programme to cultivate diversified approaches that widen volunteer opportunities and deepen the programmatic integration of volunteerism for peace and development. Although it is a modest fund, its importance cannot be overstated, given the lack of access by UNV to regular resources programme funding. From research-based projects to pilot interventions in areas such as youth volunteering and sustainable development, the Special Voluntary Fund is a catalyst for innovation and for leveraging additional external resources, serving as a vital foundation for the evolution of the voluntary sector.

57. Contributions to the Special Voluntary Fund increased by 6 per cent, from $3.7 million in 2015 to $3.9 million in 2016, reflecting the historical fluctuations of annual contributions to the fund. Given the critical role of resources from the fund, the UNV programme is continuously seeking to increase contributions to enable it to further explore, expand and strengthen the role of volunteerism and its contributions to development.

58. UNV is strengthening its relationships with Member States that have contributed to the Special Voluntary Fund in past years, and seeks to gain the support of additional Member States.

59. Contributions (including multi-year contributions) received for fully funded United Nations Volunteers, including contributions for fully funded United Nations Youth and University Volunteers, decreased by 15.2 per cent, from $7.2 million in 2015 to $6.1 million in 2016. UNV continued to diversify its funding sources through various partnership initiatives, including South-South cooperation. Capitalizing on the

successful 2014 Partnerships Forum, UNV organized a second UNV forum in 2016, convening partners from both the North and the South, revitalizing existing partnerships and brokering new ones.

60. On regular resources for institutional activities, UNV received funding through UNDP regular resources. In 2017, this amounted to $8.8 million, a 5 per cent increase from $8.4 million in 2016. However, the trend for the past five years shows an average year-to-year decrease of 9 per cent. To mitigate the declining resources from UNDP, UNV is focusing on volunteer mobilization and prudent financial management. UNV notes, however, that it needs a stable and predictable level of regular resources to fulfil its mandate and provide high-quality volunteers to UNDP and other United Nations agencies, funds and programmes.

VII. Conclusion

61. Achieving effective development results requires a clear link between development results and financial and other resources. In its decision 2016/4, the Executive Board concurred that the vision and expected results of the Strategic Plan, 2014-2017, are generally aligned with the 2030 Agenda for Sustainable Development and the Sustainable Development Goals.

62. The cumulative review of the Strategic Plan reaffirmed the commitment and readiness of UNDP to support implementation of the 2030 Agenda, and demonstrated a dynamic implementation framework able to accommodate programmatic and institutional recalibrations in response to changing external circumstances and country priorities.

63. Total contributions received from 2014-2016 were at only 71 per cent of the $19.4 billion estimated in the integrated resources plan, 2014-2017 (DP/2013/41). Regular resources met only 58 per cent of the $3.6 billion target, having fallen at an annual rate of 11 per cent since 2013. To sustain the progress made and meet the targets enumerated in the Strategic Plan, adequate and predictable funding is required to ensure strategic focus, tactical flexibility and the ability to respond to crises and opportunities.

64. UNDP is funded from a variety of sources – Member States, multilateral partners, NGOs, private and philanthropic actors and financial institutions – and continues to value all types of funding that allow the organization to deliver on its commitments. The ability of UNDP to perform at a high level is nevertheless heavily reliant on regular resources, not least because they form the pillar of its support to the world's poorest countries.

65. Regular resources provide for the most effective delivery of transformational results; support the most vulnerable; promote equity; enable a prompt response to crises; and promote the coherence, accountability, transparency and quality assurance of the United Nations development system – all priorities of both Member States and UNDP. Declining regular resources and a concentration of earmarked funds make it difficult to ensure that UNDP has the capacity to implement its programmes effectively.

66. To address the impact of reductions in regular resources, and guided by Executive Board decisions, certain lines under both the programmatic and institutional components of the integrated budget were shielded from significant cuts. Shielding those budget lines, however, meant significant reductions in other areas, including regional and global programmes and overall management activities. Further reductions in funding for development effectiveness and management pose serious organizational risks due to their adverse effects on institutional capacity for quality assurance, monitoring, accountability and oversight.

67. The absence of multi-year commitments from some partners remains a concern for UNDP and affects its ability to plan ahead and sustain its multilateral and universal character. In addition, lack of predictability or early payment increases the vulnerability of the organization to exchange rate fluctuations, negatively affecting its liquidity position.

68. UNDP is committed to working with its partners to diversify its funding base and reverse the fall in regular resources. The roll-out of the '100 Partners for Development' campaign to increase contributions from existing partners and the number of contributors to regular resources, and the launch of the funding windows to encourage a shift from highly earmarked to more flexible resources, can succeed only with the full support of Member States.

69. UNDP has incorporated substantive opportunities for partnerships with the private sector, financial institutions and individuals. It will continue to cultivate public-private partnerships and leverage private financing into development and the achievement of the Sustainable Development Goals.

70. UNDP will continue to engage with the Executive Board and seek the support of Member States to ensure that the principles of predictability, universality and progressivity can be sustained.

71. UNDP urges Member States to: (a) increase or provide their voluntary contributions in a manner consistent with their capacities; (b) contribute on a multi-year basis in a sustained and predictable manner; (c) shift their contributions from highly earmarked to less earmarked resources; and (d) advocate among Member States to prioritize contributing to UNDP regular resources in a timely and predictable manner, to enable UNDP to deliver the expected results of the Strategic Plan and lead the United Nations system in implementing the 2030 Agenda for Sustainable Development.